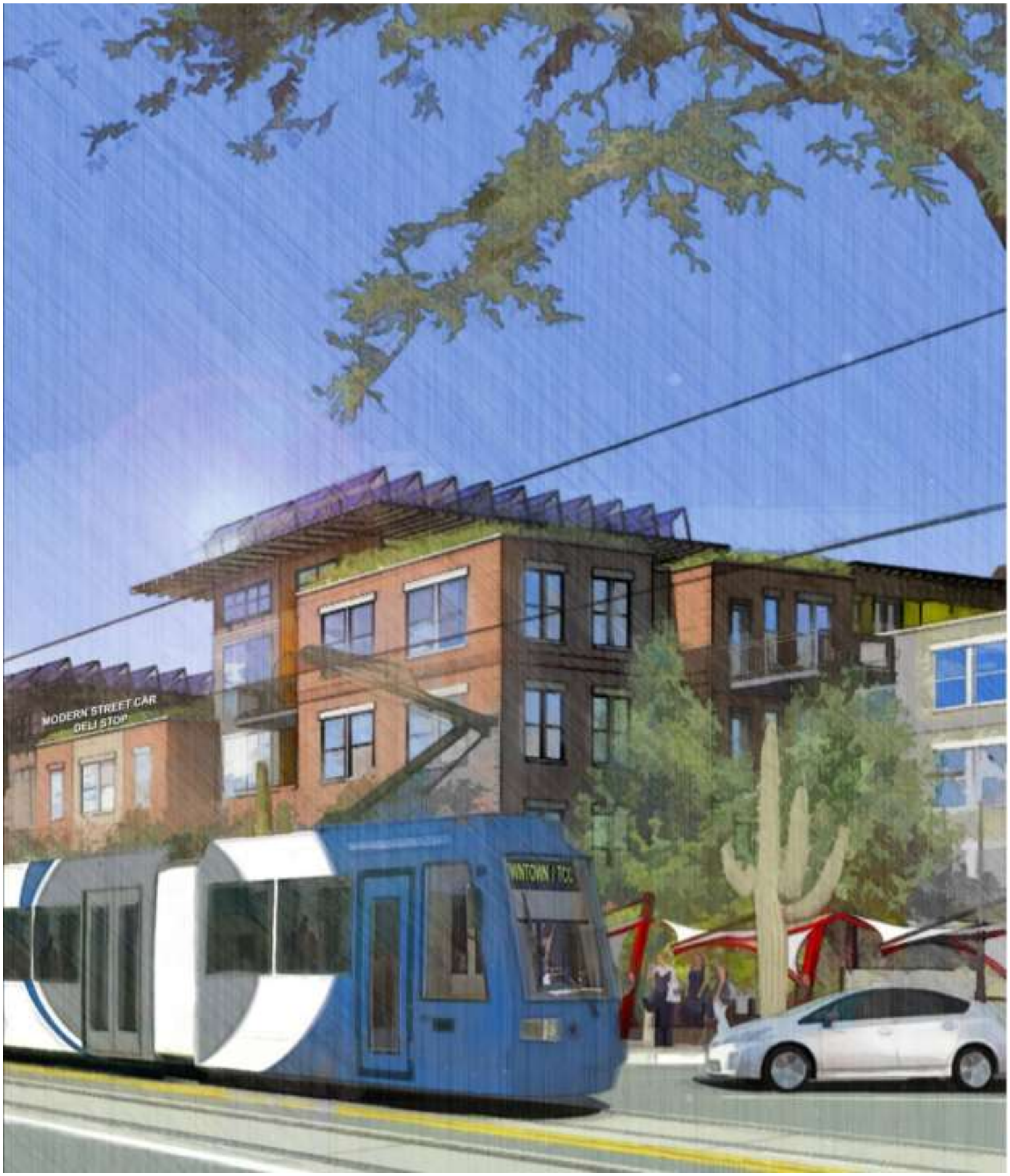
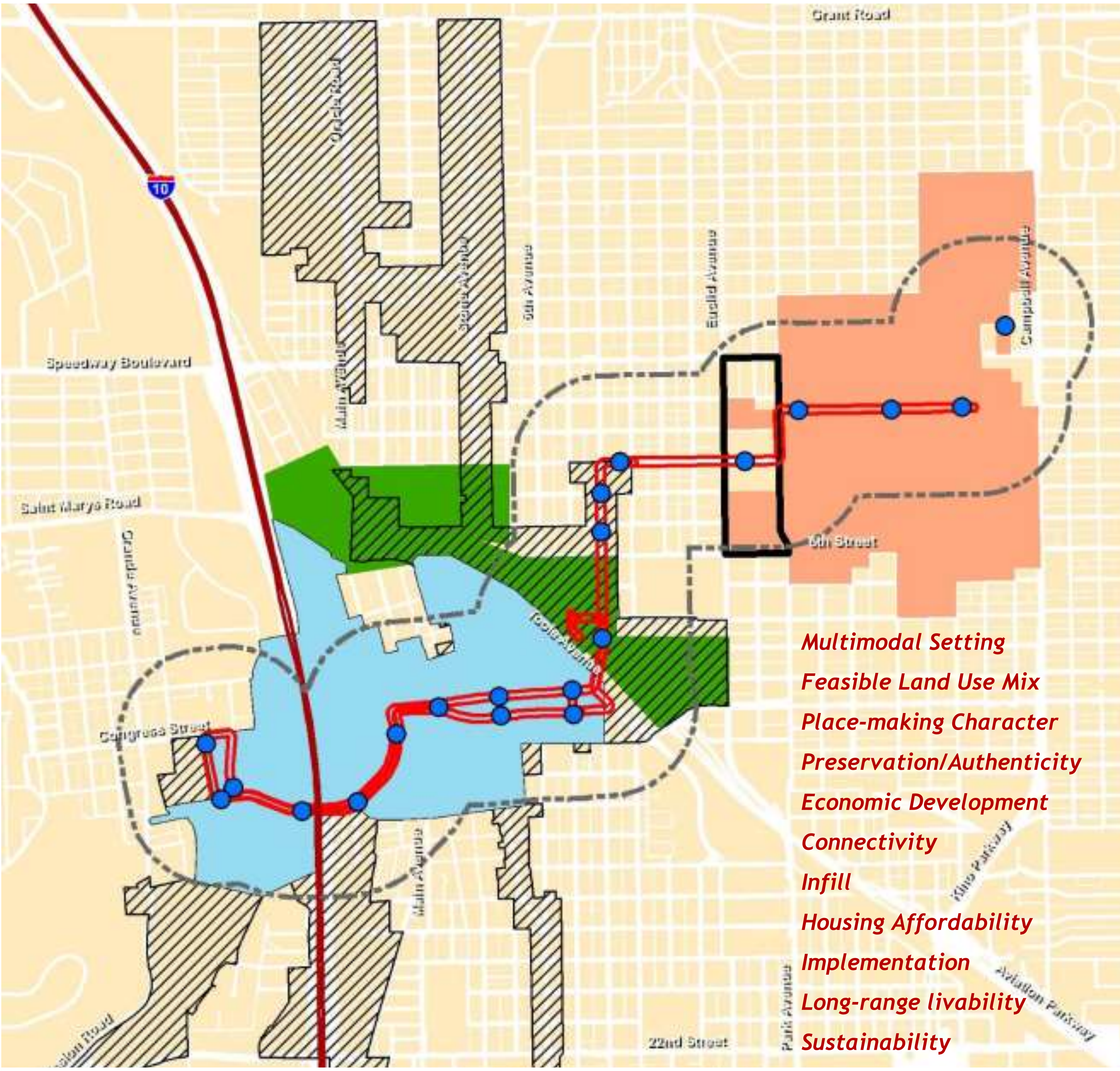
Tucson Modern Streetcar Land Use and Development Implementation Plan



Supplemental Strategies All Areas (Task 6)

Pima Association of Governments

Tucson Modern Streetcar Land Use and Development Implementation Plan



Multimodal Setting
Feasible Land Use Mix
Place-making Character
Preservation/Authenticity
Economic Development
Connectivity
Infill
Housing Affordability
Implementation
Long-range livability
Sustainability

POSTER FROST MIRTO

THE PLANNING CENTER
a division of TPC Group, Inc.

Pima Association of Governments

Tucson Modern Streetcar Land Use and Development Implementation Plan

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SUPPLEMENTAL STRATEGIES

The 3.9 mile Tucson Modern Streetcar (TMS) provides a new connection for activities at the University of Arizona, Arizona Health Sciences Center, University Main Gate Business District, the 4th Avenue Business District, the Downtown core, Congress Avenue Shopping and Entertainment District and the Mercado District. As has been found in other streetcar communities, Tucson's transportation investment opens the possibility for leveraging additional private development investment that support more walkable, urban, mixed-use districts.

In January of 2013, a consulting team led by The Planning Center (TPC) and Poster Frost Mirto (PFM) conducted a public 5-day charrette in which over 650 individuals identified their development visions for the Tucson Modern Streetcar corridor. Participants included multiple City, County and regional agencies, developers, neighborhood organizations and residents, businesses and property owners.

This memo builds upon the key values identified during the charrette process by evaluating local economic development opportunities, identifying tools from other communities that have been successful in promoting transit oriented development and recommending actions to address development challenges in the TMS Corridor and includes:

- What We Heard in the Charrette
- Development Opportunities in the TMS Districts
- Challenges
- Case Studies for Promoting Development
- Recommended Actions for the TMS Corridor

What We Heard in the Charrette

Over the past decades, Tucson has established extensive planning policies and regulatory structures which shape development to reflect the values and priorities of residents, property owners and developers.

The built environment and distribution of land uses within a city play a critical role in how much and how often people travel by car. When neighborhoods are compact and many of a person's daily needs are within a few minutes' walk, the number of vehicle trips declines rapidly. Streetcar service is often described as a "walk-extender", putting even more destinations within easy reach.

During the course of the Tucson Modern Streetcar charrette, there was general support for new developments that create more intense, mixed-use urban districts within the TMS corridor. These districts would be walkable, accessible by alternative transportation modes and include good quality, pedestrian-oriented buildings, public spaces and diverse housing options.

Participants at the charrette also identified the need for new development investment initiatives which:

- Support Tucson's existing character, heritage and culture
- Increase the housing supply to accommodate a diverse range of incomes that complement the recent increase in student housing
- Create an organizational structure to coordinate efforts within the TMS Corridor
- Ensure that parking policies, programs and demand forecasting reflect the presence of streetcar Establish financial incentives for investment in urban, mixed-use projects and a connected pedestrian network

Our community is supportive of higher intensity land uses along the streetcar corridor -- as long as 'it is done right'.

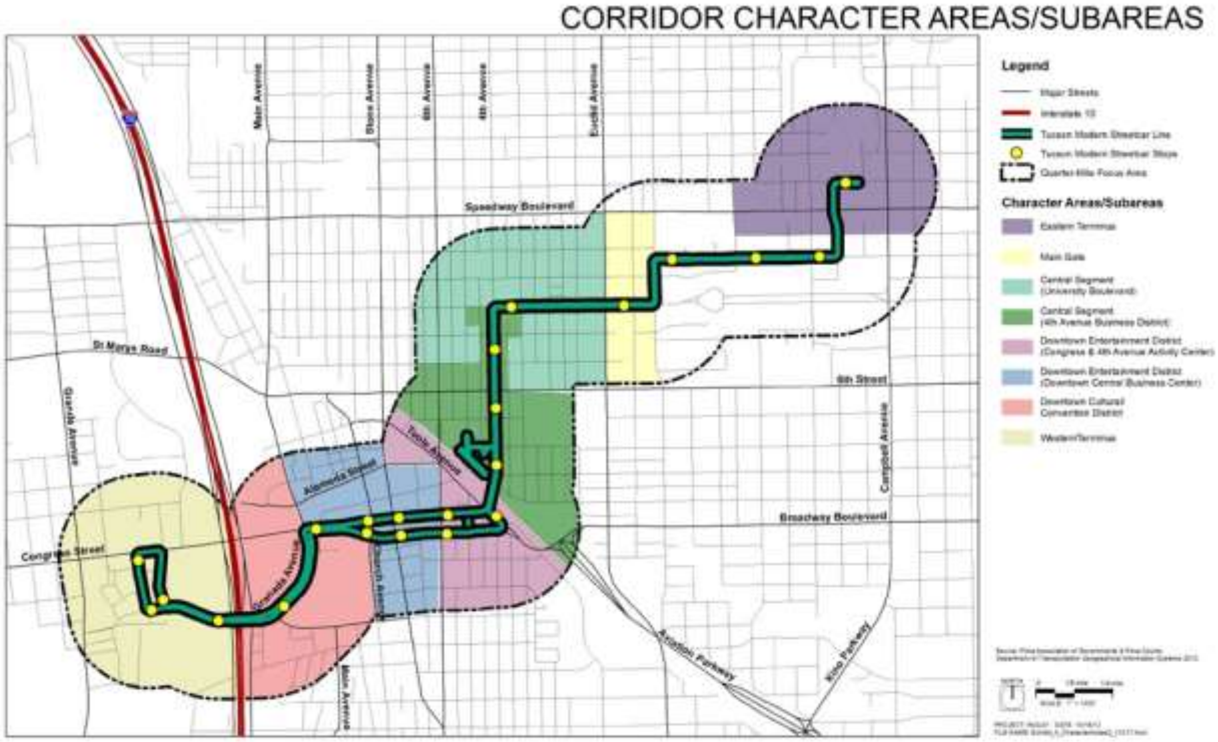
Tucson Modern Streetcar Charrette January 2013

Development Opportunities in the TMS Districts

Tucson has long been a popular destination for students, families and retirees. In 2010, the PIMA Association of Governments (PAG) projected the City of Tucson population will increase at an average annual growth rate of 2.3% or approximately 17,000 new residents a year through the year 2040 (*PAG 2040 Regional Transportation Plan*). A recent Urban Land Institute Panel review conducted in Tucson in November, 2013 indicated that Downtown Tucson "should support 200-300 rental units/year, representing a 20-25% capture of the regional apartment demand." Capturing this growth within the streetcar corridor will allow significantly more of these new residents' daily trips to be accommodated on foot or by bicycle.

> ***In U.S. cities where public resources have been prioritized to coincide with modern streetcar investment, underutilized land can experience phenomenal growth in value. In Seattle,***
>
> ***Tampa and Portland, property value increases in excess of 400 percent were common on sites adjacent to streetcar service***
>
> *Brookings Institution Value Capture And Tax Increment Financing Options For Streetcar Construction*

As the City has been planning, constructing and preparing for the opening of Streetcar service, there has been a parallel growth in development interest in the corridor. More than $800 million has been invested in new retail, office and residential development and redevelopment. Office projects include the new headquarters for UniSource Energy, with over 400 employees, and Providence Service Corporation. SunLink reports that fifty new restaurants, bars and cafes, some 1500 new student housing apartments plus 58 new retail businesses have popped up along the route over the past two years, and there are mixed-use housing developments in the works.



Each of the districts along the Streetcar route has unique character, stakeholder groups and development market dynamics. The Planning Center has identified development opportunity sites within ¼ mile of the streetcar route (Attachment A). These sites present the most promising opportunities for development investment that is further enhanced by their connection to more places people want to go. The Character Areas with the greatest opportunity for new development include:

Western Terminus. This area presents the greatest opportunity for creating a new, urban mixed use neighborhood along the streetcar corridor, led by residential investment. Key attributes that point to this area as a development priority include: over 70 acres of publicly-owned land, most of which is consolidated into large, vacant parcels; existing zoning that allows relatively high (60–100 dwelling units/acre) density housing; and active private development interest. The neighborhood's historic and cultural significance further enhances the opportunity for an identifiable district image as the area develops. **Recommendation:** The under-developed nature of the area creates a unique opportunity to evaluate district-wide infrastructure and parking strategies that support pedestrian oriented development. Several properties in this area could be priority candidates for public-private joint development partnerships.

Downtown Cultural/Convention District. Redevelopment opportunities include a few large, publicly-owned and underused properties including a vacant hotel and surface parking lots that, while critical to the Gem Show and Convention Center events, sit empty for a majority of the year. These properties are within the Rio Nuevo Multipurpose Facilities District and therefore make public infrastructure and structured parking eligible for tax increment funding. Streetcar service will provide alternate access to the site for major events and potentially provide an opportunity to allow intensification of underused portions of the district. **Recommendation:** Given the area's increased connectivity to major destinations such as downtown and University of Arizona, underused parcels surrounding the Convention Center are candidate sites for redevelopment and as shared parking opportunities to serve nearby development and public-private infill development partnerships.

Downtown Entertainment/Central Business District. This area is primarily built-out. Development opportunities are likely to include a mix of new, whole-block development, redevelopment of existing structures and infill development. Recent private development has included two unique precedents for Tucson: one project with residential, office and structured parking and the other a student housing project with parking located in a structure a few blocks from the building. **Recommendation**: Given access to streetcar, the existing mix of uses and recent development investments, new projects in this area may have the greatest likelihood of supporting a financially feasible mixed use building with lower parking ratios where allowed by zoning. Provide incentives to bridge financial "gap" for innovative projects that incorporate active ground floor uses and lower parking ratios.

4th Avenue Business District. The core of the District, 4th Avenue, is fronted by several one-story contributing historic structures which are backed by several larger redevelopment opportunity sites ranging from .5 to 2 acres in size, the majority of which are west of 4th Avenue. To the east and north are established residential neighborhoods within 1-2 blocks. Transportation access is becoming a concern for this district. If the intent is to transition the 4th Avenue District to a more urban, mixed-use district, it will be important to identify the emerging new "customer" in the district and accommodate their priorities. Recent development has included two five-story student housing projects; one completed in 2012 and one just starting construction. **Recommendation:** Offer financial incentives to attract a project that successfully accomplishes multiple public objectives such as: Active ground floor uses that reinforce the retail district; Income diverse housing stock; Reduced parking ratios; Building amenities and incentives to direct residents towards walking, biking and transit. Establish a contractual relationship with the partner developer through a development agreement.

Eastern Terminus. This District includes concentrations of employment and student concentrations at the University Medical Center and University of Arizona. Speedway bisects the area and provides high visibility, which is important to supporting potential ground floor retail businesses. There is active developer interest for a new, mixed-use project at Campbell and Speedway. **Recommendation:** Work with developer(s) to identify a role for public sector financial participation in a vertically mixed-use project. Establish a contractual relationship with the partner developer through a development agreement that assures public financial participation and realization of desired project goals.

Challenges

Transitioning from a drivable suburban growth model to one that places a priority on the pedestrian experience is challenging. Experience from other streetcar communities has shown that the public sector can play **an** effective leadership role in this transition by prioritizing public funding, resources and policies to support walkable, mixed-use districts.

Parking is one essential ingredient for growth. Perceptions about the convenience and attractiveness of a neighborhood are influenced by the availability and cost of parking in proximity to neighborhood destinations. However, poorly placed and designed, parking facilities deteriorate walkability and urban form, creating dead spaces within the urban fabric. To support the transition to walkable urban districts, **it is exceedingly important that existing and new parking supply be set up to support the preferred "customer"**. Customers are those with destinations in the district. The needs of customers vary by district, depending upon the nature of uses in the district. In streetcar communities, these are typically district residents, visitors, shoppers and employees. Pricing has been found to be the most effective way of prioritizing parking use for the desired customer.

Housing affordability is affected by successful urban investment which can lead to higher land values and increased costs. This adds to the pressure of finding affordable housing options with good transit access. Public investment in affordable housing is often used to offset these market impacts to retain income diversity. In addition, locating housing within the TMS Corridor where many destinations are within walking distance provides the option for residents to spend less on transportation.

Up front infrastructure costs for streets, sidewalks and open spaces can strain public resources**.** Creating new higher density, pedestrian-oriented mixed-use projects in communities with relatively few recently-constructed comparable examples is challenging. Without successes to point to, the risk is higher to the developer and investors. Risk is reduced in areas where good quality urban amenities including sidewalks, parks and open spaces are already in place. Unfortunately, public funds to cover these critical facilities come from a "pay as you go" system in which the fees are collected at the time of permit approval, and the improvements may not occur until long after the building is completed.

Access and circulation needs will grow with the desired addition of new residents, businesses and employees in the TMS corridor. Visibility and access is a key consideration when developers evaluate investment options. As the TMS Corridor districts transition from auto-oriented access to one that includes more pedestrian trips, public investments in parking and street infrastructure can focus on reducing the physical and symbolic presence of automobile access.

Case Studies for Promoting Development

> ***In communities where economic investment has been made a priority along a modern streetcar route, properties have developed above what would have occurred absent a streetcar line. In Oklahoma City, that rate has been projected to be 4.5 times greater within 1 block of streetcar and 2.0 times greater within 2-3 blocks.***
>
> *MAPS3 Oklahoma City Streetcar Economic Development*
>
> *Assessment Shiels Obletz Johnsen/ ED Hovee & Co.*
>
> *November 2013*

Tucson has made a $196.6 million investment in its core districts with the construction of the Streetcar. Across the country, it has been documented that the more that public agencies focus their efforts to promote development in a streetcar corridor, the more likely they are to leverage greater economic benefits. These economic benefits include added business and residential potential, development and property valuations.

The investment environment for developers and lenders is significantly enhanced where government and community development partners show that they have a coherent plan for creating compact, walkable, high-density development and are following through with it.

In streetcar communities across the country, public, private and non-profit groups have taken leadership roles in assuring that the urban development values are supported through:

- Single focused organization responsible for delivering targeted actions near transit
- Regulatory structures that support development and do not create unintended barriers
- Financial incentives and public investment in private development projects

Three organizations with similar transit corridor community-building priorities are described below and include examples from Mesa/Phoenix/Tempe, San Francisco and Minneapolis-St.Paul. A matrix summary of these organizations is included in Attachment B.

Case 1: Sustainable Communities Collaborative (SCC), Mesa/Phoenix/Tempe, AZ

www.sustainablecommunitiescollaborative.com

This non-profit organization promotes equitable transit-oriented development along the Valley METRO light rail by catalyzing the development of affordable housing, community services, fresh foods markets and other neighborhood assets (Attachment D). To launch the partnership, SCC attracted a combined $20 million of private investment from two national partners: Local Initiatives Support Corp. (LISC) and Raza Development Fund (RDF).

The policy focus of the Collaborative includes:

- Housing: Fund, support, and promote mixed-Income housing (market, affordable, workforce) connected to transit.

- Public Health: Promote fresh and healthy food connected to transit-oriented communities and holistic community planning that leads to pedestrian and bicycle friendly urban environments.
- Community Development: Create vibrant urban environments and transit-oriented communities that have it all – schools, healthcare facilities, complete streets, shade and streetscape improvements, open space, culture, entertainment, grocery stores, child care facilities, etc.
- Financial Tools: Utilize existing financial tools in creative ways to create transit-oriented community outcomes and attract additional investment into the region for quality, community-centered development for all income levels.
- Transportation: Promote and facilitate the development of a Total Transit Network with rail, transit, bicycle paths, pedestrian plazas, and complete streets to reduce the reliance on single occupancy vehicle trips and overall vehicle miles traveled.

The founding members of the original group (organized in 2007) involved: Arizona Growth Cabinet; Local Initiatives Support Corp. (LISC); Sonoran Institute/ Lincoln Institute of Land Policy; Arizona Community Foundation; Phoenix Community Alliance; Urban Land Institute; Surdna Foundation; Arizona State University; Arizona Departments of Housing, Transportation, and Environmental Quality; Metro Light Rail; and the Downtown Phoenix Partnership.)

Case 2: Great Communities Collaborative (GCC), San Francisco Bay Area, CA

www.greatcommunities.org

This entity brings together a diverse set of nonprofit and philanthropic partners focused on ensuring that at least half of the Bay Area's new homes built by 2030 are in walkable communities in close proximity to public transit, at prices affordable to all.

Four regional non-profits – Nonprofit Housing Association of Northern California (NPH), the Transportation and Land Use Coalition (TALC), Greenbelt Alliance, and Urban Habitat, the national non-profit Reconnecting America, and two community foundations – the East Bay Community Foundation, and The San Francisco Foundation, came together to form the Great Communities Collaborative (GCC).

The GCC engages in two work areas: 1) site-specific engagement at 25 of the 75 Bay Area light rail station areas; 2) support in creating tools that citizens, elected officials, local government staffers, and other stakeholders can use to facilitate community involvement.

The GCC acted as the organizing entity to build the policy and programmatic platform that led to the creation of the Transit Oriented Affordable Housing (TOAH) Fund. TOAH is a $60 million public private financing resource that provides up-front funding for development of affordable housing and other community services in areas planned for higher density, infill development where there is a demonstrated local commitment to enhance the availability of housing, community services and pedestrian-friendly environments near transit lines. The TOAH Fund was made possible through $10 million in seed capital from the Metropolitan Transportation Commission which leveraged $50 million in private funds.

Case 3: Corridors of Opportunity Initiative (CoO), Minneapolis-St. Paul, MN

www.corridorsofopportunity.org

The mission of this organization is to support development along transit ways that advance sustainability, equity and economic competitiveness. The Initiative provides funds for: - affordable housing and transit-oriented development (TOD) investments - demonstration projects

- small business support
- corridor-wide investment initiatives
- community engagement
- technical studies

Funding for CoO initiatives comes from two national sources. The first is a Sustainable

Communities Regional Planning grant from the U.S. Department of Housing and Urban

Development that is managed through the regional planning and service provider agency (Metropolitan Council). The other is a package of loans and grants from Living Cities - a collaboration of 22 of the nation's largest foundations and financial institutions which is managed by the Saint Paul Foundation. Leadership partners represent government and philanthropy, business and advocacy, financing and community development.

CoO provides loans and grants to support new equitable TOD projects and the preservation and/or creation of affordable housing units near transitways. In addition, the CoO Affordable Housing/TOD Implementation Team works to:

- Develop a pipeline of housing
- Host pre-development meetings with funders and developers to identify opportunities for joint investment
- Explore new financing opportunities for TOD

The **Local Implementation Capacity (LIC) Grant Program** funds predevelopment projects. A committee made up individuals from public, private and non-profit organizations brings housing and economic development perspectives to the selection process. The Program promotes predevelopment planning in transit corridors that specifically benefit the public that can then move forward with development through funding mechanisms such as the Livable Communities Demonstration Account (LCDA) grants administered by the Metropolitan Council.

The $14.3 million **Loan Program** is administered by the Twin Cities Local Initiatives Support Corporation (LISC), Twin Cities Community Land Bank and the Family Housing Fund and is available for:

- Preservation: acquisition, rehabilitation, construction and preservation of single-family and multi-family affordable housing.
- TOD Projects: new multi-family housing or mixed-use transit-oriented developments.
- Projects must be located within ½ mile of LRT and ¼ mile from certain bus connections.

Recommended Actions

A growing number of streetcar cities across the country are demonstrating the benefits of a community-building approach that focuses on redevelopment of vacant and underused parcels within a streetcar route. With a proactive development strategy, Tucson has the potential to focus more of the region's projected residential and job growth into vibrant, walkable mixed-use downtown districts that accommodate greater economic benefits with less reliance on automobiles.

To ensure the greatest return on the public's significant investment in the Tucson Modern Streetcar, three near-term actions are recommended as described below.

1. Create an Organization to Promote Investment in TMS Streetcar Districts

Ensuring that the properties surrounding the new TMS Streetcar evolve into thriving and sustainable mixed-use districts will take more than building a streetcar. Successful development efforts in streetcar communities across the country typically involve a strong collaboration between public and private interests. Success in one streetcar district builds success in another district which, in turn, grows into a new direction for community building.

While Tucson has formed exemplary community-building partnerships over the years, there is no clear development investment strategy or "lead" community development entity with a track record in promoting and managing mixed-use community redevelopment efforts. For this reason, it is recommended that a new organization with real estate and community development expertise be formed to complement and coordinate existing public and private stakeholder interests and be responsible for managing a collaborative partnership focusing initially on the TMS Corridor. With a strong emphasis towards development outcomes, it is recommended that this community development entity include urban real estate development expertise.

Harnessing the strength of multi-disciplinary coalitions has proven to be effective in creating sustainable, transit-oriented communities throughout the country. Closer to home, the Sustainable Communities Collaborative in Phoenix has achieved extraordinary success in creating local and statewide partnerships to produce development along the Metro Phoenix Light Rail line.

The TMS Corridor coalition would coordinate stakeholder interests and promoting mixed-income, mixed use development to spur economic opportunities along the Streetcar route. Specific recommended actions include:

- **Create a coalition of existing organizations** including public, private, non-profit, and foundation partners from Housing, Transportation, Community Development, Economic Development and Job Creation, Finance, and Public Health.
- **Secure a pool of funds** available for transit-oriented development projects within the TMS Corridor with participation from community banks, community development financial institutions and public agencies.
- **Define "success" and track progress** by creating a Streetcar investment strategy with criteria and metrics for accomplishing desired development outcomes. Work with Streetcar partners to identify development priorities, funding sources and associated activities.
- **Advocate for public policies, programs and regulations that support investment in the corridor.**

Start-up funding for dedicated staffing could come from a combination of public and private sources from the local, state and national levels. Attachment C provides a more detailed description of recommended funding considerations for Tucson including Special Assessment Districts, Parking Revenues, Foundation Grants and Loans, Federal Grants, Existing Staff Resources.

In addition to the above, partners in other communities with a vested interest in the success of downtown livability have often stepped up to provide seed money to fund community building efforts around transit lines. Participants have included educational institutions, state and regional public agencies, lending institutions, major employers, and utilities. A list of partners currently working with other communities as well as a list of potential partners for Tucson's efforts is included in Attachment B.

2. Identify Three to Five High Priority Projects and Get Them Built

The transition to a more mixed-use, walkable environment often involves new building types that have limited or no track record in the local economy.

To reach the economic successes found in other streetcar communities, it is critical that Tucson initiate and sustain a proactive development effort. A common method of advancing desired development projects is through a joint development approach involving both public and private interests to generate projects that provide public benefits. Successful completion of the projects is then used to demonstrate feasibility for future projects.

In Tucson, the key to leveraging the Streetcar investment will be to overcome development challenges and getting good projects built in the corridor:

- private development (jobs, mixed-income housing, retail goods and services)
- public projects that create destinations, improve the pedestrian environment and enhance the area for future development

Given the public benefits generated by urban, pedestrian-oriented projects, public funding can be offered for new and innovative infill development projects to strengthen project feasibility and reduce risk. A key consideration in funding development is to evaluate which tools will work best for a particular project or development context.

Communities across the country have been working with a range of public and private financing mechanisms to incent projects in transit corridors. The list below and attached (Attachment C) describe financial sources that have been used in other streetcar communities.

- Special Assessment District
- Federal Grant Programs
- The Sustainable Communities Regional Planning (SCRP) Grant Program

- Local Initiatives Support Corporation (LISC)
- Development Impact Fees
- General Obligation (GO) Bonds
- Low Income Housing Tax Credits (LIHTC)
- Parking Revenues
- Philanthropic Organizations
- Public-Private Parnerships (PPP or P3)
- Tax Abatement for Transit Oriented Development

While not targeting the TMS Corridor specifically, the City and their partners have used several of these tools in their previous work with public facilities, infrastructure, parking and sidewalk enhancements, historic preservation, neighborhood stability and affordable housing.

Examples of successful community development initiatives from other transit communities specifically recommended for the TMS Corridor include:

- **Integrate private development perspectives** to inform program priorities and associated incentive tools to address urban infill development challenges and effectively leverage public and private investments.
- **Offer public properties for redevelopment**. The Rio Nuevo Public Facilities District and City of Tucson control significant land holdings in the Western Terminus and Convention Center areas as well as other, smaller infill sites throughout the corridor. These are valuable resources that can be transferred to developers with contractual terms to ensure the development meets shared development goals.
- **Reinforce mixed-use development goals into civic projects.** There are several major civic projects currently under discussion that would significantly impact the land use and pedestrian environment within streetcar districts including: Tucson Convention Center (Rio Nuevo), new public parking structures (City), redevelopment of Hotel Arizona/La Placita and a Visitor Center. As these and other civic projects begin to emerge as viable development options, it will be important to integrate the community-building principles coming out of the TMS Corridor community development partnership.
- **Provide financial incentives** to advance desired development projects. Public funding and resources can be directed to incent developers to construct projects that support desired public values that may not otherwise be produced by the private marketplace. Common examples include provision of housing affordability, higher density development, pedestrian amenities, green building elements and developer participation in shared parking, car sharing or other demand management programs.

3. Share the Success with Others

As has been found in communities across the country, there is a significant opportunity to support walkable mixed-use districts extending from the University of Arizona all the way to Menlo Park— all linked by Streetcar.

Communicating successes can play a major role in generating the next success. The value of this effort is clearly evident from the variety of Tucson organizations that are currently tracking development in different parts of the corridor. Once a unified organizational structure is in place, it will make it easier to generate a corridor-wide data base to track successes, identify opportunities and communicate the value of pursuing a comprehensive community-building strategy in Tucson's core.

Specific recommended actions for the TMS Corridor include:

- **Establish and sustain relationships** with partners, private developers and community development advocates.
- **Create a streetcar development "scorecard"** that describes the shared criteria and communicates development investments and progress on other shared objectives. Track the information and communicate outcomes to developers, lenders and other community development partners.

Housing and the Tucson Modern Streetcar Corridor

Housing is the principal building block of any community. Its physical design, its density, its cost, and its character contribute substantially to how a city functions. It is what strikes "closest to home." People are rightly sensitive to the characteristics of their own homes and the housing characteristics of their neighbors.

The Tucson Modern Streetcar Corridor has a wide variety of existing residential choices – it has both ownership and rental housing serving people of low income and people of higher income. Its physical form ranges from high-rise dense student, senior and public housing, to single-family historic homes and everything in between.

Even though the Streetcar is not yet complete, there has been an upsurge of development along its spine. The new housing includes student housing, affordable housing and few market rate housing developments. What is determining the present mix is the current market.

The economics of housing is exerting a strong influence on the current development pattern. Student housing is built, being built, or planned in a number of locations along the Corridor including: The District (5th Avenue and 6th Street), Campus Acquisitions and related projects (Park and Tyndall), Cadence (4th Avenue, Broadway/Congress and Toole), The Junction (9th Street and 3rd Avenue), and The Corbett Site-DMC (6th Avenue and 7th Street) to name a few. What they all have in common is a rental structure that makes these projects economically feasible. That is why they are being built. Exhibit 10 shows student housing development within the Tucson Modern Streetcar ¼ Mile Focus Area.

In general, Tucson rents are in a fairly compact range. Residential rentals in the Streetcar Corridor cost approximately $1.00 - $1.15 per square foot per month as a base rent. A two-bedroom 875 square foot house or apartment might rent for roughly $900 - $1000 per month. A three-bedroom 1050 square foot modest single family detached home, might rent for $1000- $1200 per month. The existing rents vary somewhat. In this market, those current rents will not support a loan necessary for new construction; i.e. purchase land, design the project, permit the project, pay appropriate development and impact fees and build it. Finally, these area rents have not changed much in recent years. Area rents have been relatively stagnant in the face of the four-year-old bursting of the housing bubble and the recession that has followed.

Student housing, on the other hand, operates in a different rent structure. In recent large-scale developments, developers are building four-bedroom suites and renting each of the bedrooms in a separate lease for approximately $550 - $600 per month. That means a 1300 square foot four-bedroom unit will gross a collective rent of $575 x 4 = $2300. That translates to $1.77 per square foot per month. With those substantially higher per square foot per month rent levels (and a captive UA student market that refreshes every August), new construction now becomes viable. Banks are willing to loan money and developers are willing to build.

The recent market in large University-area infill housing ("mini-dorms," as some would describe them) has had a comparable economic structure. Multi-bedrooms suites leased by the bedroom have enjoyed rents in the $1.75/month/per square foot. Based on these similar economics, University-area neighborhoods have seen an influx in this form of housing over the last five years.

Translating these housing economic models backwards to the non-student market, (absent any public subsidy) market rents may need to climb towards the $1.75 per square foot per month ($1300 per month basic rent for a two-bedroom unit) before Tucson is likely to see substantial new, non-student, market-driven rental development.

The only possible exception to this reluctance to pay higher rents is the emerging rental market that, pre-bubble-burst, might have been in the condo/ownership market. Condo/townhouse equity ownership may have become sufficiently scary for some in that some of this market might be moving to rental to avoid the equity risk. Right now individuals may be willing to pay rents comparable to what they would have expected to pay in mortgage rather than what they have been paying in the rental market. A few recently built residential developments (The Aerie on the eastside) have been successfully building for this higher-end rental market. That model may or may not have any traction in the Streetcar Corridor.

The story for homeownership has been similar in its outcome for somewhat different reasons. In this case, the burst housing bubble and the real estate recession has had a more direct impact on new housing development. With a large number of foreclosures in the Tucson market, home values have dropped precipitously. In Tucson, in July of 2007, the median sales price of homes was $195,000. By January 2012, it had dropped to $130,000, a decline of one-third of the value. This drop in housing sales exerts downward pressure on all home sales, even in the healthier Streetcar Corridor real estate market. In this economic setting, it is unlikely that new home ownership construction will proceed (the weak sales price market will not support the cost of new construction) and even more unlikely that banks will provide construction loans for this type of development.

Subsidized housing programs available to lower income residents within the ¼ Mile Streetcar Corridor include the recently completed HOPE VI Martin Luther King apartments at Toole and 5th Avenue and the new Low Income Tax Credit Senior project, Sentinel Plaza, at West Congress Street and the Santa Cruz River. Exhibit 11 shows subsidized housing development within the Tucson Modern Streetcar ¼ Mile Focus Area.

Local Examples for Housing Affordability: Integrated Housing Policies

La Entrada Apartment located within walking distance of the Tucson Modern Streetcar line across El Presidio historic neighborhood, successfully offers HUD Section 8 housing vouchers to low-income residents through a joint Department of Housing and Urban Development program. This multifamily residential community includes young professionals working in the downtown area, students from Pima Community College and the University of Arizona, empty nesters, single adults, elder citizens, people with disabilities and low-income households. This type of integrated housing supports the concept of complete communities by offering housing to all ages and income ranges in a non-discriminatory environment that serves all segments of the community.

The formulation of policy incentivizing new TOD developments to include a percentage of affordable housing is a way to create total communities, promote equality, support the Tucson Modern Streetcar ridership, avoid gentrification and create complete communities.

Exhibit 10: Student Housing Development within the ¼ Mile Focus Area

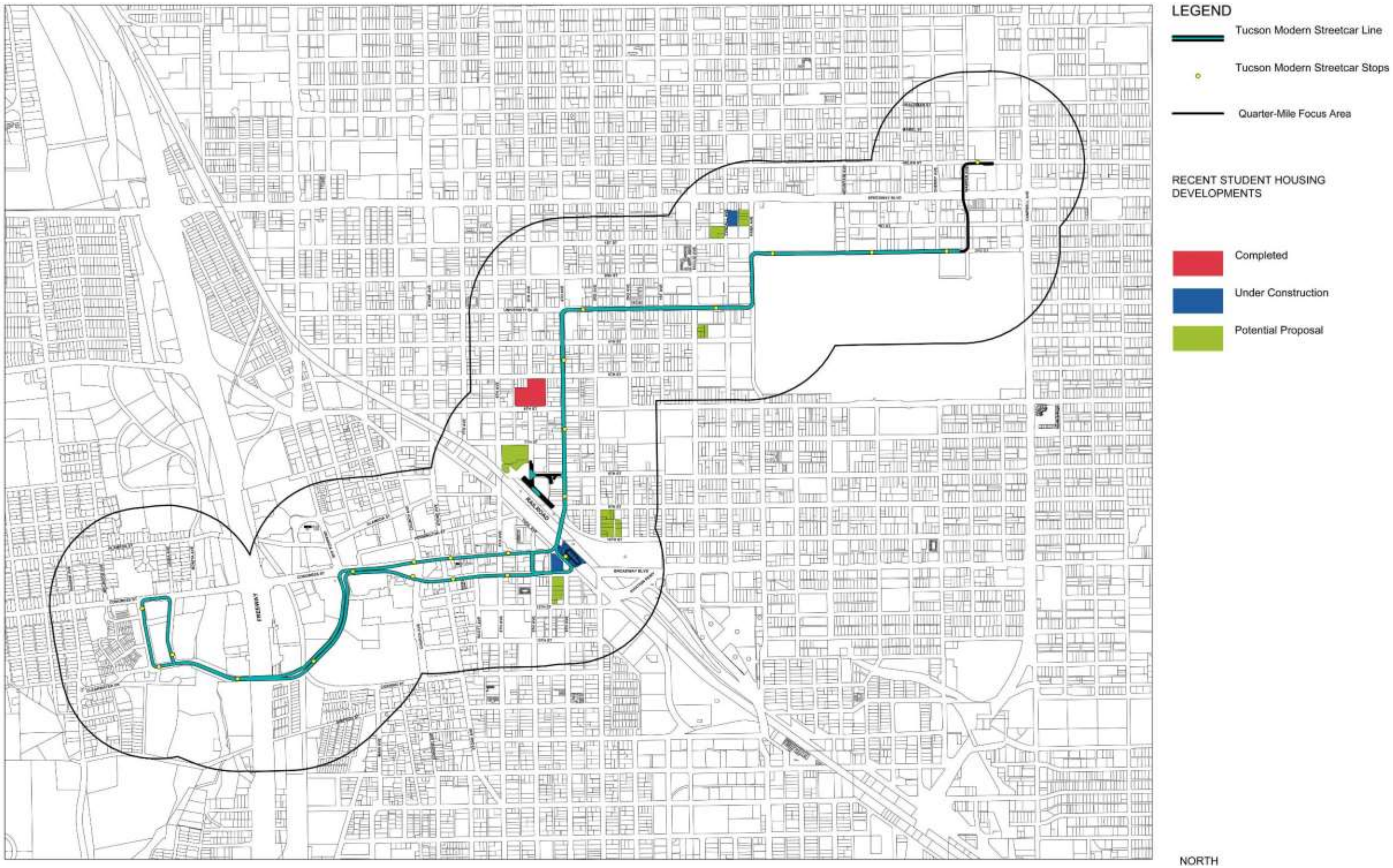
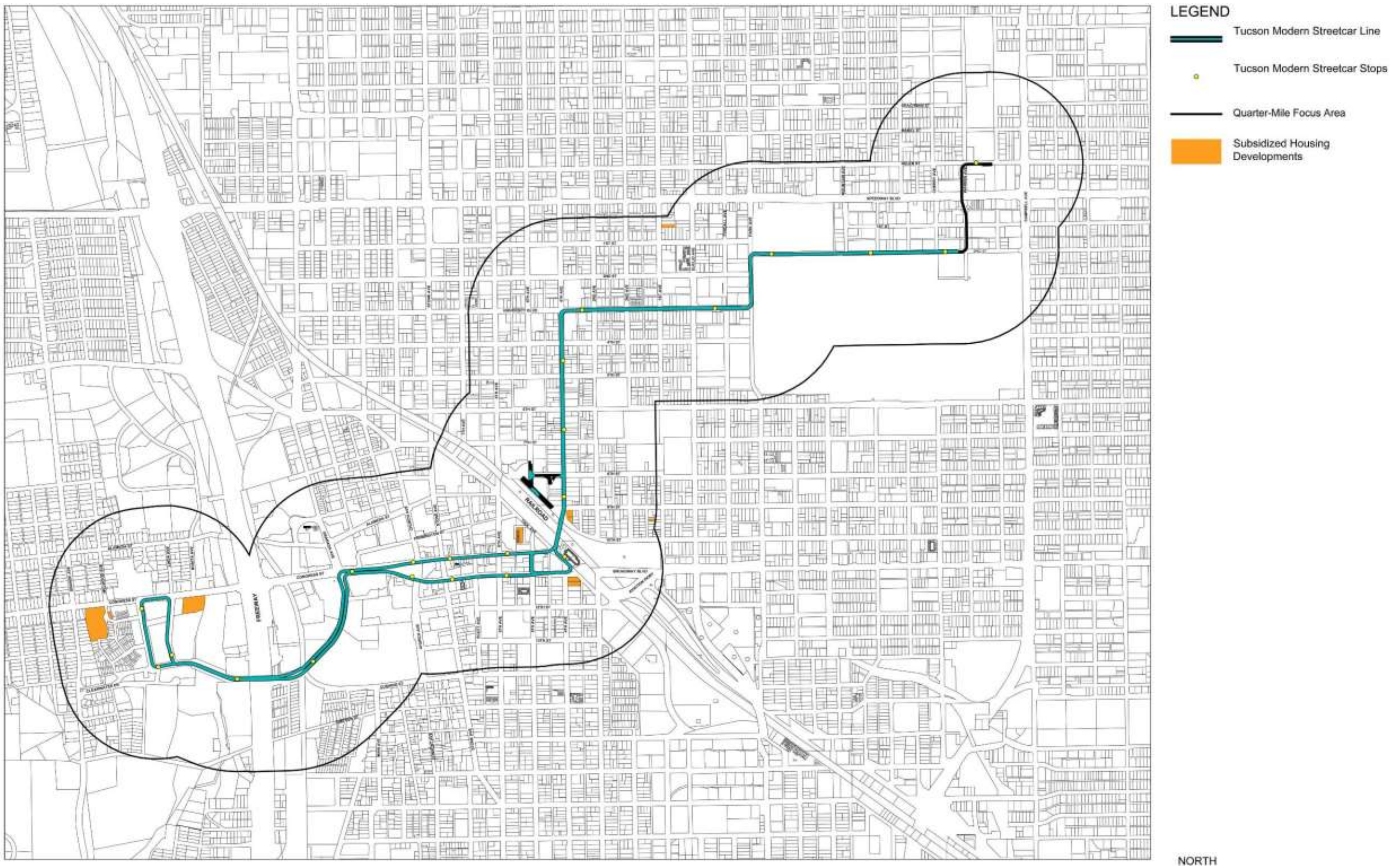


Exhibit 11: Subsidized Housing Development within the ¼ Mile Focus Area



Housing Tenure and Housing Costs

Owner-Occupied Properties

Based on U.S. Bureau of the Census 2010 data, owner-occupied properties were identified within the Tucson Modern Streetcar ¼ Mile Focus Area. Exhibit 12 shows percent of owner-occupied housing properties within the focus area. As shown on this exhibit, corridor wide, the 0-20 percent owner-occupied category comprises most of the corridor. This is a strong indicator that most planning areas within the corridor have a higher percentage of renter-occupied properties.

Renter-Occupied Properties

Based on U.S. Bureau of the Census 2010 data, renter-occupied properties were identified within the Tucson Modern Streetcar ¼ Mile Focus Area. Exhibit 13 shows percent of renter-occupied housing properties within the focus area. As shown on this exhibit, corridor wide, percent renter-occupied properties are high along the corridor.

Median Monthly Owner Costs (Housing Units with a Mortgage)

Based on U.S. Bureau of the Census 2010 data, median monthly owner costs for housing units with a mortgage were identified within the Tucson Modern Streetcar ¼ Mile Focus Area. Exhibit 14 shows percent of median monthly owner costs in $ per month and monthly owners cost as a percentage of household income along the Streetcar Corridor.

Median Monthly Owner Costs (Housing Units without a Mortgage)

Based on U.S. Bureau of the Census 2010 data, median monthly owner costs for housing units without a mortgage were identified within the Tucson Modern Streetcar ¼ Mile Focus Area. Exhibit 15 shows percent of median monthly owner costs in $ per month and monthly owners cost as a percentage of household income along the Streetcar Corridor.

Exhibit 12: Owner-Occupied Properties within the ¼ Mile Focus Area

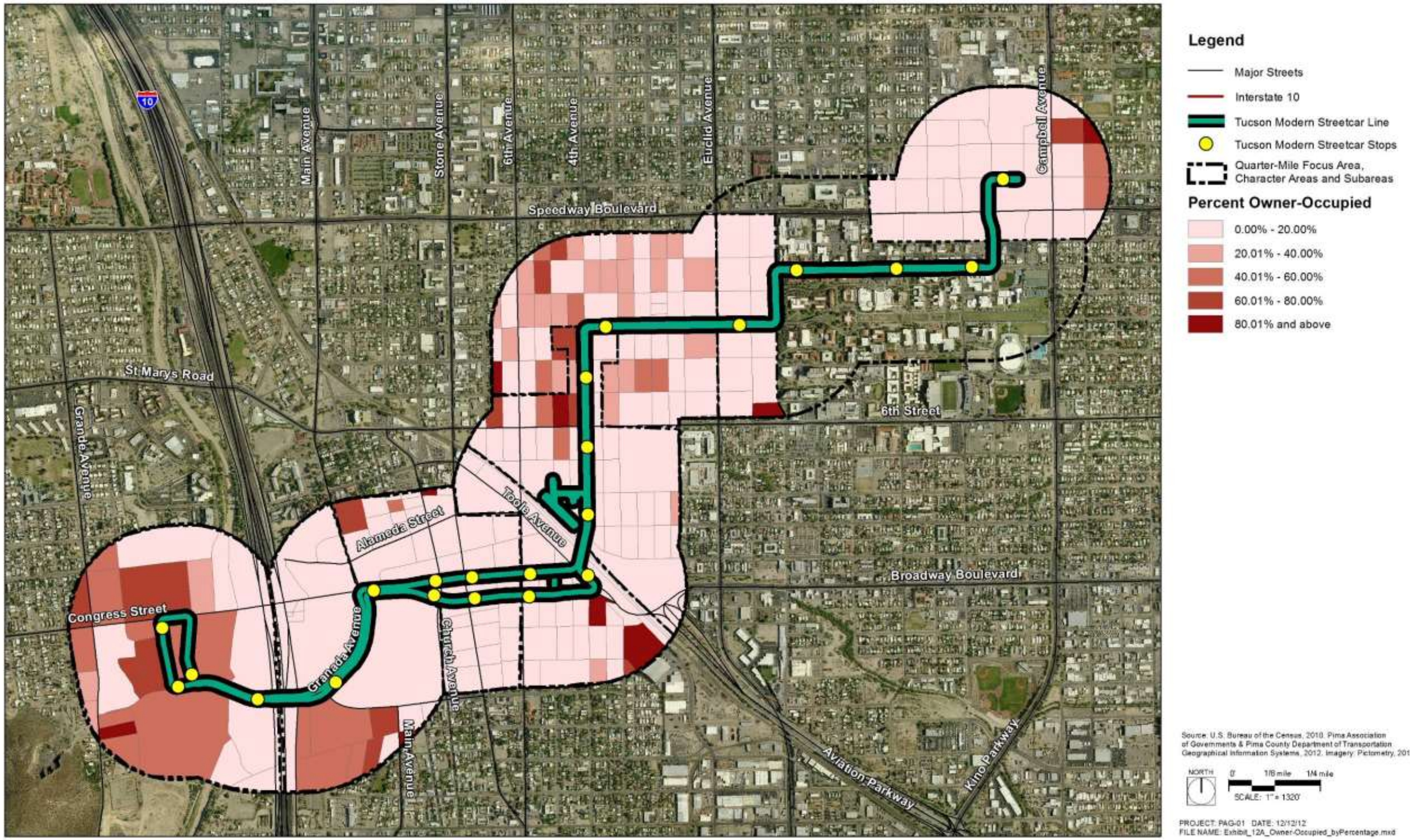


Exhibit 13: Renter-Occupied Properties within the ¼ Mile Focus Area

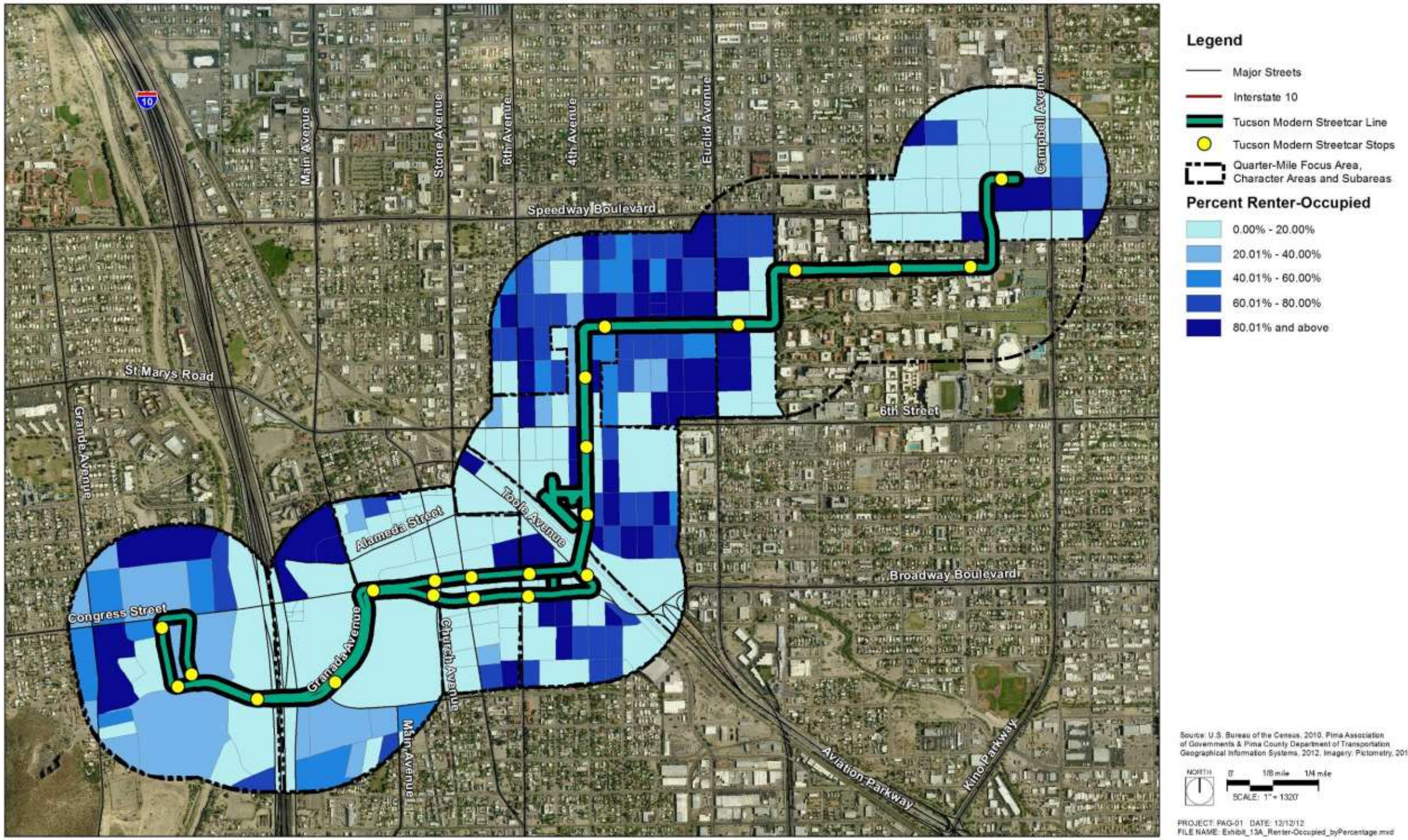


Exhibit 14: Median Monthly Owner Costs (Housing Units with a Mortgage) within the ¼ Mile Focus Area

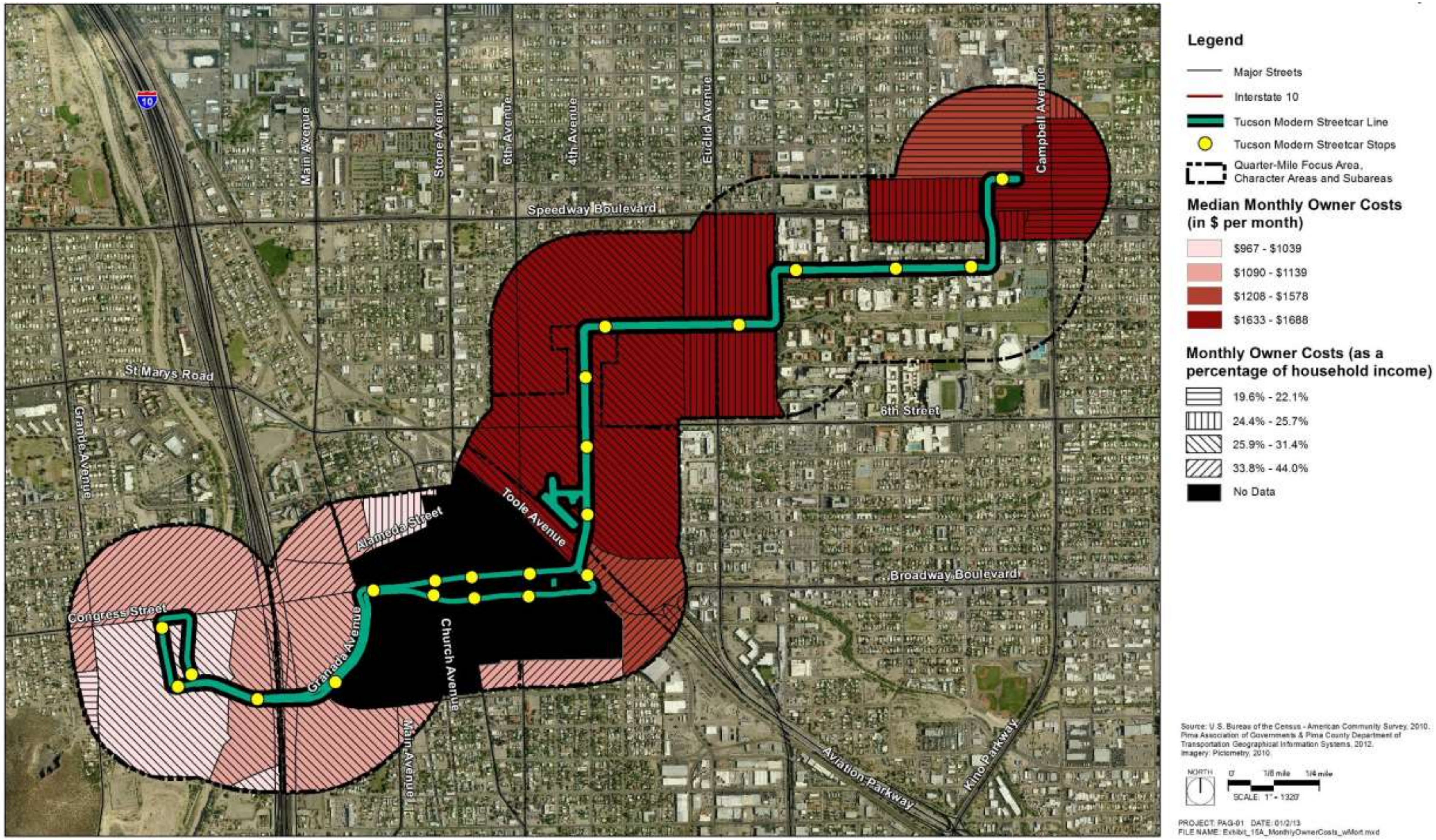


Exhibit 15: Median Monthly Owner Costs (Housing Units without a Mortgage) within the ¼ Mile Focus Area

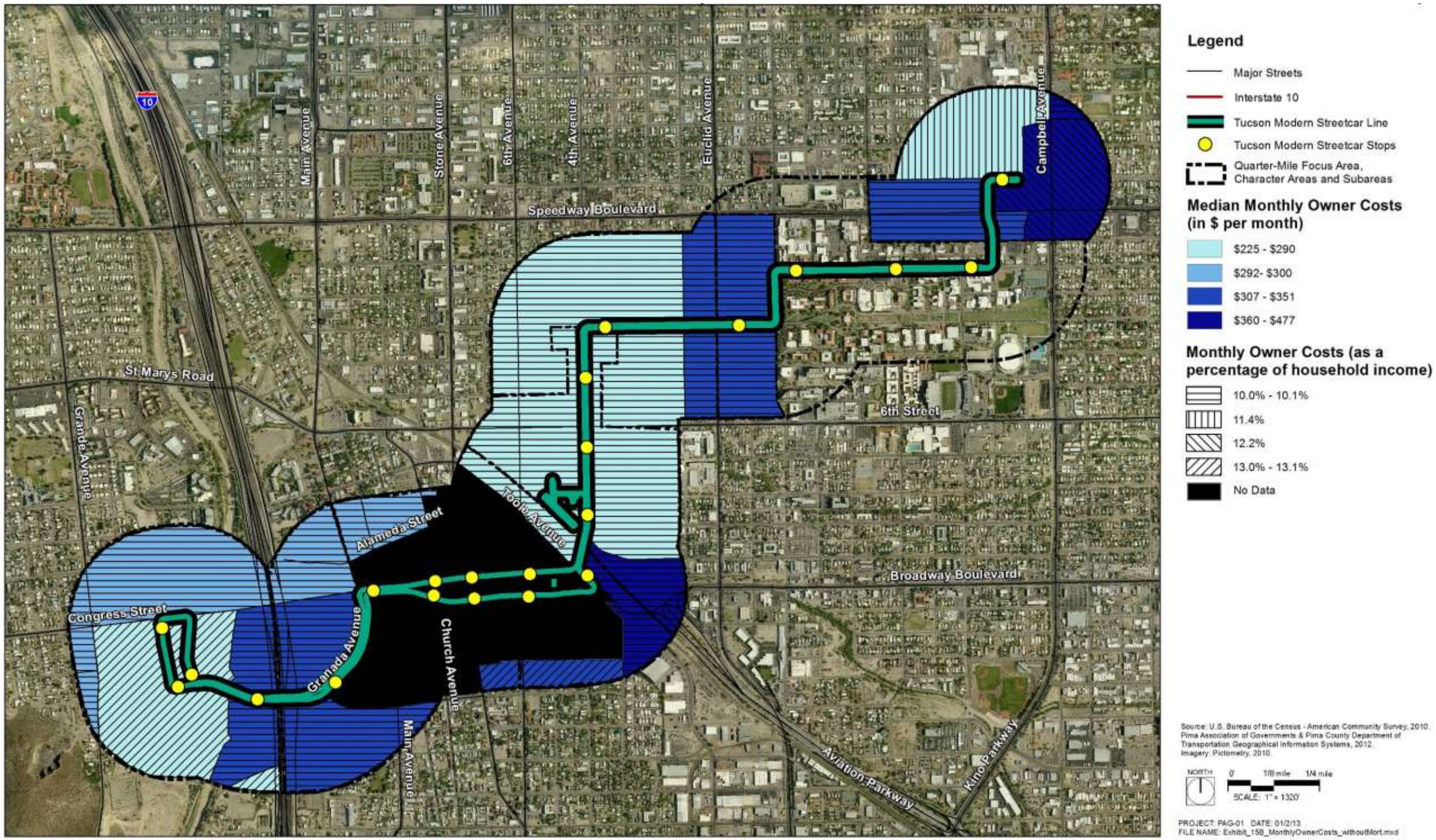
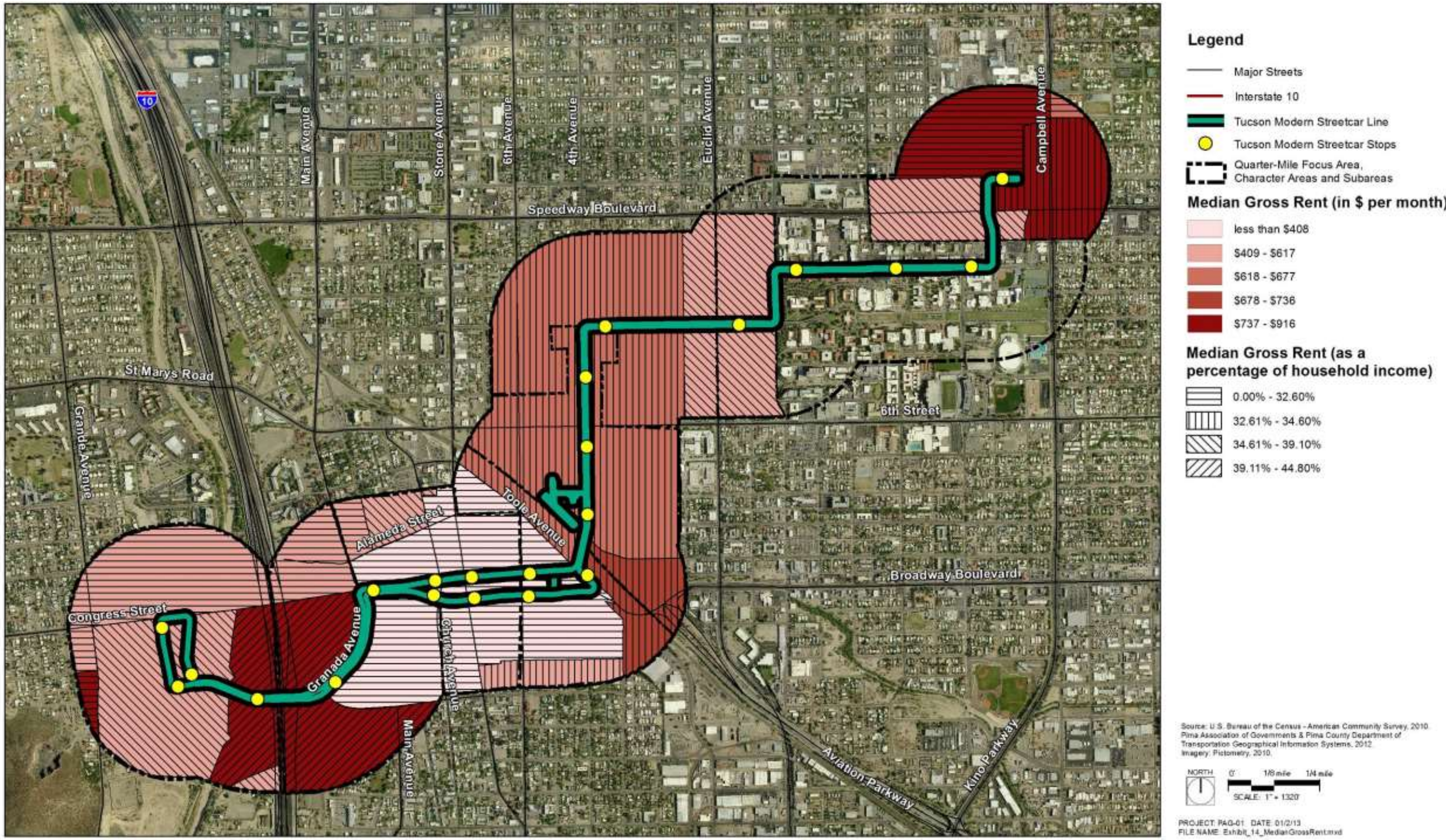


Exhibit 16: Median Gross Rent by Census Tract within the ¼ Mile Focus Area



Changing Demographics

Higher-density developments and Transit Oriented Development (TOD) are increasingly gaining acceptance and favor around the United States. The proportion of "traditional" two-parent households with children, which has driven preferences for sprawling single-family homes in the past, is shrinking. About 30 years ago, these families made up 40 percent of American households, while they comprised only 24 percent of the households in 2004.1 The single parent, empty nester, couple with no children, and single-person households, who make up the majority of households, have different real estate needs.

The National Personal Transportation Survey suggests that these households are more interested in a "24/7 lifestyle, cultural richness and diversity of walkable neighborhoods," which higher-density and mixed-use districts can provide.2 TOD residences tend to be smaller and easier to maintain than single-family homes and are usually closer to employment centers, restaurants, entertainment, and shopping that create a vibrant urban environment.

Higher-density development and TOD promote a more sustainable community where more walkable neighborhoods result in less automobile trips. According to the Institute of Traffic Engineers, condominium and apartment dwellers average between 5.6 and 6.3 auto trips per day compared to 10 per day for low-density communities.3 Placing housing near transit also encourages people to get out of their cars and use public transportation, reducing pollution and congestion. Residents located within a half mile from transit are five times more likely to use public transit than those living farther away.

The Center for Transit Oriented Development reports that households living in a transit zone, described as a household within a half mile or less of a transit stop, own on average 0.9 cars compared to an average of 1.6 cars in the metro region as a whole.4 Using public transit and owning fewer cars can increase disposable income by saving on transportation costs. Other benefits include the preservation of other land uses such as historic neighborhoods, parks, and open space. By concentrating growth were appropriate along the Tucson Modern Streetcar, land and infrastructure are used more efficiently and there is less need to expand costly services such as utility lines, police and fire services.

Quality higher-density developments and TOD provide more balanced housing options that keep the community's economy thriving. According to Price Waterhouse Coopers, "access to a large and diverse

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1 *Hidden in Plain Sight: Capturing the Demand of Housing Near Transit.* Washington, D.C., Center for Transit Oriented Development, September 2004 (page 13)

2 Ibid.

3 Haughey, Richard M. *Higher Density Development: Myth and Fact.* Washington, D.C.: The Urban Land Institute (Page 17)

4 *Hidden in Plain Sight: Capturing the Demand of Housing Near Transit.* Washington, D.C., Center for Transit Oriented Development, September 2004 (page 29)

labor pool is the most important factor in making corporate relocation decisions." Higher-density projects provide housing choices for all income groups and different age groups because they tend to be more affordable than single-family homes and provide amenities that young and older demographics are seeking. Providing more affordable housing and transportation options for households in all stages of life promotes a balanced and diverse labor force, which can make a community more desirable for investment and corporate location.

Recommendations

The Streetcar is anticipated to create a zone of premium housing value (see Housing Analysis in the Streetcar Diagnostic report) along its route. In practical terms, over time we are likely to see an increase in property values, residential sales prices, and residential rents within the ¼ mile radius of the tracks. Since the vision statement prioritized a "mix of incomes," protection of existing permanent affordable housing and development of new permanent affordable housing development options would seem a necessity to help Downtown develop as a mixed-income area.

At the market-level, there has been a rash of student housing developments. These are at the high-end of monthly-rent-per-square-foot levels ($1.65-$1.75/sf/month as compared to a more Tucson-typical $1.15/sf/month). With almost 2000 student housing beds in process, that market may well be approaching saturation.

Most project participants have expressed a strong interest for an increase of new market-rate housing along the route as well. This is likely to occur but it will depend on two items: 1) the willingness of renters and owners to pay the premium rent or sales price needed to support the high cost of new construction and the rising cost of land near the Streetcar; and 2) the willingness of financial institutions to abandon their residential underwriting caution in the wake of the 2008 bursting of the "housing bubble" and embrace the financing of new market-rate residential development along the Streetcar. Over time, this market will appear and new higher-end housing will almost certainly be built. The recent development at 1 East Broadway (now under construction) that includes 24 higher-rate residential units will test this hypothesis and gauge the seriousness of the early stages of this new residential market.

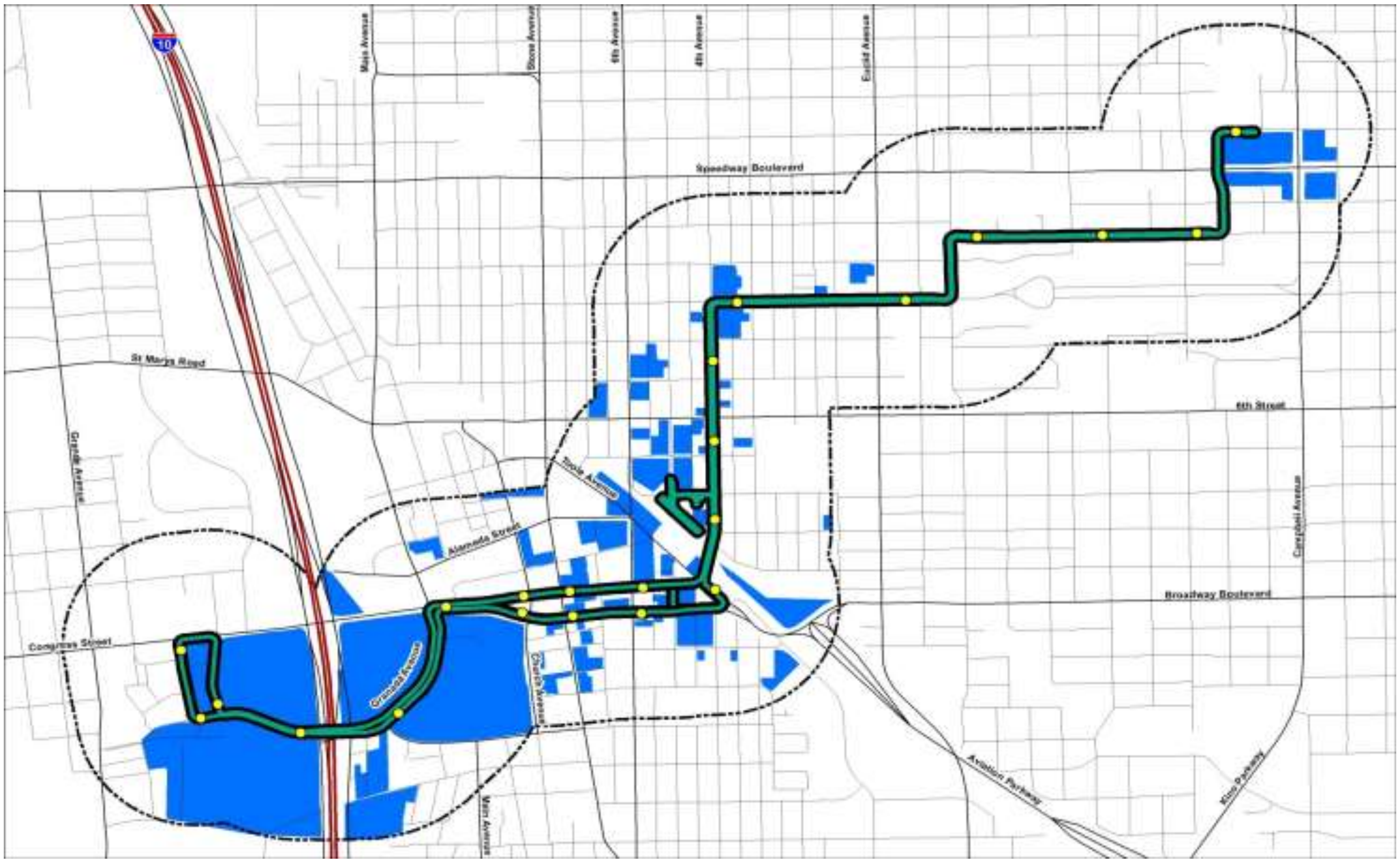
On the affordable housing side, aside from protecting existing permanent affordable housing in the downtown (as the City of Tucson successfully did in the reconstruction of MLK Apartments), new affordable housing will need to be built in the downtown area. For all intents and purposes, the only federal program funding affordable housing is the IRS-sponsored Low Income Housing Tax Credit (LIHTC) program. This program uses tax-credits to leverage private equity funding of largely workforce housing (60% of median income, or families of 4 with $32,000 annual income [teachers, nurse, secretaries, child-care workers, food-service workers etc.]) These projects are most often three-way partnerships among for-profit LIHTC developers, non-profit sponsors, and large equity investors. City government often facilitates this development. The LIHTC process is a highly competitive process, but in Arizona, projects located along a Streetcar line are heavily encouraged by the Arizona Department of Housing's competitive project scoring system. In the Tucson Downtown, there are many viable parcels that would be strong contenders for a successful LIHTC application in the range of 80-150 new residential units. Qualified renters would pay in the range of $600-$900 per month depending on unit size. LIHTC projects are typically substantially higher in design and construction quality than the free market could ever supply in this rental price range.

As an example, the City of Mesa just executed a development agreement for a new 128 unit workforce housing development through the LIHTC program within ½ mile of the new Phoenix metro light rail system on land occupied by blighted structure originally developed in WW 2 as housing for African American soldiers. They worked with a private developer (Gorman Companies) and a non-profit agency (Save the Family) using a strict development agreement to guarantee design and construction quality control. The project is now under construction.

The Streetcar Planning Team recommends identifying three City-owned (or Rio Nuevo-owned) parcels along the route for potential LIHTC housing development(s.) The City is encouraged to use an RFP process to identify a Private/Non-Profit developer partner(s) to develop one or more LIHTC proposals for the 2014 (Most likely March 1) LIHTC application cycle. This application should be accompanied by a publicly-vetted development agreement that outlines the City of Tucson (or Rio Nuevo's) design, planning, and construction interest in the project.

Attachment A

CORRIDOR DEVELOPMENT OPPORTUNITY SITES



Attachment B
Transit-related Development Organization Case Studies

Organization	Mission	Funding Sources	Governance Lead	Partners	Outcomes
Sustainable Communities Collaborative					
Phoenix/Tempe/Mesa, AZ Established 2007 www.sustainablecommunitiescollaborative.com	Incentivize, leverage, and guide development of equitable Transit-Oriented Development (TOD) in areas served by high capacity transit.	Local Initiatives Support Corp Raza Development Fund	Steering Committee Local Initiatives Support Corp Raza Development Fund St. Luke's Health Initiatives Downtown Phoenix Partnership/Dev Corp Valley Metro Light Rail AZ Department of Transportation AZ Preservation Foundation Phoenix Revitalization Corp Neighborhood Economic Development Corp AZ Dept of Health Services	AZ Growth Cabinet Cities of Mesa, Phoenix, Tempe Sonoran Institute/Lincoln Institute of Land Policy AZ Community Foundation Phoenix Community Alliance Urban Land Institute Surdna Foundation Arizona State University	$20 million loan fund for development projects Public policy advocacy Assist coordination of HUD grant $11 million Invested in new housing, community health care centers, entrepreneurial start-ups, pedestrian and bicycle friendly neighborhoods, eclectic retail and restaurants, and artistic centered community development.
Great Communities Collaborative					
San Francisco, CA Established in 2006 www.greatcommunities.org	A network of organizations dedicated to creating healthy, thriving, and affordable neighborhoods in the Bay Area, anchored by transit and linked to all the opportunities and amenities that make a good community truly great.	Metropolitan Transportation Commission The San Francisco Foundation Silicon Valley Community Foundation Ford Foundation The William and Flora Hewlett Foundation Surdna Foundation The Wallace Alexander Gerbode Foundation The California Endowment	Advisory Board Reconnecting America Urban Habitat Low Income Investment Fund Working Partnerships Non-Profit Housing Association of Northern CA TransForm Greenbelt Alliance Silicon Valley Leadership Group Asian Pacific Environmental Network	27 organizations representing regional policy leaders, community groups, businesses, local and regional government agencies, technical assistance providers and funders.	$60 million Transit Oriented Affordable Housing fund Regional transportation policy/plan advocacy and technical assistance
Corridors of Opportunity Initiative					
Minneapolis-St Paul, MN Established in 2011 Transitioning to "Partnership for Regional Opportunity" in 2014 corridorsofopportunity.org	Support development along transitways that advances sustainability, equity and economic competitiveness. Development along transitways will create distinctive places and strengthen local assets while increasing ridership and expanding access to jobs, affordable housing and essential services for residents of all incomes and backgrounds.	HUD Sustainable Communities Grant Pgm Living Cities Integration Initiative US Dept of Housing/Urban Development Living Cities/St Paul Foundation Local Initiatives Support Corp Twin Cities Community Land Bank Family Housing Fund	Policy Board made up of 26 top leadership representatiaves from government, foundations, business, community development, financing, non-profit and private sector interests.	Senior Staff of member agencies support the Policy Board and act as a Coordinating Committee for the initiative's team leads and project managers.	$14.3 million loan pool available for TOD Corridor-wide development strategy/technical studies New TOD Program established at Metro Transit; grants Transit advocacy/technical assistance for transit funding Small Business Support Community Engagement Demonstration Projects
Tucson Modern Streetcar Development					
Tucson, AZ	Create and promote walkable, urban districts along Tucson Modern Streetcar.	Special Assessment District HUD Sustainable Communities Grant Pgm Impact Fees General Obligation Bonds Parking Revenues Grants P3 Agreements Local Initiatives Support Corp Surdna Foundation Ford Foundation	For example: City of Tucson University of Arizona Marshall Foundation Downtown Tucson Partnership Metro Pima Alliance Pima Association of Governments Urban Land Institute Living Streets Alliance Tucson Pima Arts Council 4th Avenue Merchants Assn Friends of Tucson Birthplace	For example: AZ Growth Cabinet AZ Dept of Housing Pima County Visit Tucson Tucson Electric Power All adjoining Neighborhood Associations Rio Nuevo AZ Preservation Foundation	Establish a mission-driven partnership organization focusing on development in the TMS corridor. Identify priority projects for the corridor. Communicate and market development outcomes.

Prepared by Shiels Obletz Johnsen; December, 2013

Attachment C

Funding Options

The following descriptions list potential funding sources for a TMS Corridor community development program.

Special Assessment District. Similar to other special purpose districts in Tucson, this financing mechanism would allow employers, developers, building owners and government entities to collectively fund and participate in priority efforts that foster economic development in the entire TMS Corridor. Use of these funds must comply with state regulations for establishing assessment districts.

Recent data from Portland, Seattle and Tampa has shown that properties within 2-3 blocks of the streetcar lines have developed at much higher density than other downtown properties. This nexus between the presence of the streetcar and financial benefit to property owners can be used to support creation of a Special Assessment District within the streetcar corridor. Benefits can be anticipated to be greater for properties closer to streetcar, vacant or underutilized properties and particular land uses, especially retail establishments. General Obligation bonds and Certificates of Participation can be used in special assessment or community facilities districts to fund up-front infrastructure costs.

Federal Grant Programs. There are multiple federal programs that provide funding for developing mixed-use, walkable urban districts. HUD, DOT, EPA, and several other agencies have made millions of dollars in funding available for a variety of uses, including community planning, affordable housing finance, technical assistance, research, and capital infrastructure investments (www.grants.gov). A summary matrix of potential federal funding sources can also be found at:

www.reconnectingamerica.org/resourcecenter/federal-grant-opportunities.

The Sustainable Communities Regional Planning (SCRP) Grant Program. This federal program supports locally-led collaborative efforts that bring together diverse interests from the many municipalities in a region to determine how best to target housing, economic and workforce development, and infrastructure investments to create more jobs and regional economic activity. The Program places a priority on investing in partnerships, including nontraditional partnerships (e.g., arts and culture, recreation, public health, food systems, regional planning agencies and public education entities) that translate their Six Livability Principles into strategies that direct long-term development and reinvestment, demonstrate a commitment to addressing issues of regional significance, use data to set and monitor progress toward performance goals, and engage stakeholders and residents in meaningful decision-making roles. The Program is a key initiative of the Partnership for Sustainable Communities, in which HUD works with the U.S. Department of Transportation (DOT) and the U.S. Environmental Protection Agency (EPA) to coordinate and leverage programs and investments. To date, HUD has awarded over $165 million to 74 regional grantees in 44 states and helping to improve the lives of approximately 112 million people.

Local Initiatives Support Corporation (LISC). This is a national organization with a community focus, working collaboratively with local community development groups and residents to transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity — good places to work, do business and raise children. LISC sets up local offices to mobilize corporate, government and philanthropic support to provide local community development organizations with:

- loans, grants and equity investments
- local, statewide and national policy support
- technical and management assistance

LISC began working in Phoenix, AZ in 2011, focusing on Transit Oriented Development (TOD) in Phoenix at which point the organization made a $10 million lending commitment to the Sustainable Communities Fund to support development along the Phoenix/Tempe/Mesa light rail corridor. To date, $5 million has been allocated to fund the preservation or creation of 375 units of affordable or workforce housing. The projects address the unique needs of each urban neighborhood.

Development Impact Fees. These one-time fees are collected at the issuance of a building permit and used to help cover the cost of facilities and infrastructure to serve new development including parks, transportation, police and fire consistent with the City's Capital Improvement Plan. These funds can be used to leverage mixed-use development by issuing bonds to advance the schedule for street and park improvements sooner than waiting for the revenues to accumulate over time in the typical "pay as you go" approach.

General Obligation (GO) Bonds. GO Bonds have been used to fund public facilities throughout PIMA County including fire stations, public infrastructure and transportation improvements. As part of the Transit Oriented Development (TOD) Bond Program, the Phoenix Community and Economic Development Department spent approximately two million dollars to acquire land for TOD and to reimburse developers for infrastructure improvements including construction of sidewalks, landscaping and utility relocations.

Low Income Housing Tax Credits (LIHTC). To date, this source of funds have been the most successful rental housing production program in Arizona, creating thousands of residences with very affordable rents. For developers willing to participate in the tax credit application process, this has proven to be a valuable piece in funding mixed-income, mixeduse projects in streetcar communities. Projects requesting the 4% LIHTC's must participate in a statewide competitive process and would require a coordinated local effort to establish the TMS Corridor as a priority location for this type of investment.

Parking Revenues. The streetcar system extends the market area for both parking facilities and local businesses. Some cities have dedicated revenues from publiclycontrolled on-street and off-street facilities for efforts to promote alternative modes, including demand management programs/improvements, bicycling and walking. In Portland, these revenues have been used to fund both capital and operating expenses associated with development of the streetcar and surrounding districts.

Philanthropic Organizations. Foundations, including private foundations and public charities, are non-governmental organizations that make grants with a charitable purpose including both capacity-building grants for community planning, affordable housing, technical assistance, research, as well as capital infrastructure investments. While most recent efforts to date have been related to the provision of affordable housing or social services around transit facilities, some examples of more diverse uses are beginning to emerge. Program-related investments (PRI's) are investments made by foundations to support their goals and leverage philanthropic dollars. Unlike grants, PRI's involve a potential return on the investment. The primary benefit of PRI's is access to capital at lower rates than may otherwise be available.

While there are many national, regional and local foundations that partner with organizations promoting development in transit corridors, two examples include:

Surdna Foundation. Currently working with the Sustainable Communities Collaborative in the Phoenix region, the Foundation's mission is to foster sustainable communities in the United States -- communities guided by principles of social justice and distinguished by healthy environments, strong local economies, and thriving cultures. The Foundation provides grants in three areas:

<u>The Sustainable Environments Program</u> works to overhaul our country's low performing infrastructure, much of it outdated and crumbling, with a new approach that will foster healthier, sustainable, and just communities. We believe in the potential of what we call "next generation infrastructure" to improve transit systems, make buildings more energy efficient, better manage our water systems and rebuild regional food systems.

<u>The Thriving Cultures Program</u> believes that communities with robust arts and culture are more cohesive, prosperous and benefit from the rich cultural diversity of their residents. We support efforts to encourage teens to explore the arts, involve artists in community development projects and foster the growth and success of local artists as economic engines and agents for social change.

<u>The Strong Local Economies Program</u> supports the development of robust and sustainable economies that include a diversity of businesses and access to quality jobs. We work to spur the growth of local businesses, encourage equitable economic development, and improve the quality and availability of jobs for low-income people, communities of color, immigrants, and women.

Ford Foundation. Currently working with the Great Communities Collaborative in San Francisco, the Foundation encourages initiatives by those living and working closest to where problems are located; to promote collaboration among the nonprofit, government and business sectors; and to ensure participation by men and women from diverse communities and all levels of society. They work mainly by making grants or loans that build knowledge and strengthen organizations and networks.

Public-Private Partnerships (PPP or P3). Development Agreements or P3 Agreements are common tools used to articulate expectations in a public-private development partnership. A contractual agreement between a public agency and a private sector entity in which the "skills and assets" of the developer and the public agency are shared in advancing a project for the use of the general public. A key feature of these partnerships is the sharing of risk among parties, usually proportioned to the value expected to result from the contemplated project.

Typical public benefit terms include the provision of affordable housing, open space, enhanced pedestrian amenities, minimum residential densities and participation in a demand management program. The partnership can range from an arms-length transaction to a more direct public sector stake in the financial performance of the project, depending upon the amount of risk the organization/public agency is willing to take.

Tax Abatement for Transit Oriented Development. Property tax abatements have been created in a few cities to promote residential projects that support community benefits near transit. This results in reducing operating costs for residential and mixed-use developments for a maximum of ten years.

ATTACHMENT D

SUSTAINABLE COMMUNITIES COLLABORATIVE

PHOENIX • TEMPE • MESA

OVERVIEW

The Sustainable Communities Collaborative (SCC) is a one of a kind state, local, regional and non-profit partnership seeking to make equitable Transit Oriented Development (TOD) a reality in areas well served by mass transit.

SCC Partners include:

- Arizona Departments of Housing and Transportation
- Cities of Phoenix, Tempe, and Mesa
- Metro Light Rail
- Arizona State University
- Local Initiatives Support Corporation (LISC)
- Raza Development Fund (RDF)
- Urban Land Institute
- Downtown Phoenix Partnership
- Phoenix Community Alliance
- Maricopa Association of Governments
- Arizona Department of Health Services
- Neighborhood Economic Development Corporation
- Arizona Community Foundation
- Discovery Triangle
- St. Luke's Health Initiatives
- East Valley Partnership
- Valley Forward
- State Farm
- Phoenix Industrial Development Authority
- Sonoran Institute
- Phoenix Revitalization Corp.
- Local First Arizona
- Arizona Construction Association
- Arizona Multibank

TOD style design provides people and families with an alternative to traditional suburban housing and community development. This alternative includes a mix of housing choices in urban environments that are connected to employment centers, essential services, and transportation options. Successful TOD will be a catalyst for investment, jobs, and economic opportunities along the light rail corridor.

SUSTAINABLE COMMUNITIES FUND

The SCC has created a revolving Sustainable Communities Fund to incent, leverage and guide development of equitable TOD in areas well served by high capacity transit. The Fund is capitalized at $20 million, with an eventual goal of $50 million, which will include equity, program related investments, and grants and loans from local and national sources. This Fund provides the Valley's first financial incentives focused on changing the Valley's development patterns through the new equitable TOD paradigm.

The Sustainable Communities Fund may be used for the following: Mixed-income residential development at light rail station areas; Essential related development such as grocery stores for access to fresh and healthy food, child care facilities to support working families, health care facilities to increase access to health care, etc.; and project costs associated with providing sidewalks, bike paths, shade structures and other community improvements that make it easier for people to walk, bike and take the train and bus to their jobs, services, amenities, and recreation.

CRITICAL PARTNERSHIPS

Harnessing the strength of a multi-disciplined coalition is the best way to advance sustainable development patterns. The SCC is building critical partnerships with a diverse array of stakeholders to:

1) Coordinate housing and transportation policy, planning, and decision making at all levels of government; and
2) Create public/private partnerships with the business and non-profit community to spur transit-oriented development connected to equitable housing and transportation.